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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

August 10, 2007

Mr. Loy D. Crapo
dba The Bug House
350 East 300 South
P.O. Box 1113
Delta, UT 84624

Subject: Request for Additional Bond Amount of \$11,800, Loy D. Crapo, ML27618, S0250025, Kane County, Utah

Dear Mr. Crapo:

A letter was sent to you on May 17, 2007 indicating requirement for additional reclamation bond. The Division requires a bond amount of \$20,700.00 for the 5 acres permitted. A CD has been submitted from Wells Fargo Bank in the amount of \$8,900.00. You must either submit additional bond in the amount of \$11,800.00 or update your NOI to reflect a smaller acreage disturbance.

Failure to furnish and maintain reclamation surety may result in permit withdrawal, cessation of mining operations, and/or requirements to reclaim all lands affected by mining operations.

Your immediate attention to completing this required permitting action is required. Please direct communication and correspondence to Mr. Jed Pearson, (801) 538-5382 or bondcoordinator@utah.gov.

Sincerely,

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:JP:pb
FED EX #1
cc: Jed Pearson, DOGM
Tom Munson, DOGM
Daron Haddock, DOGM
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